

CITY COUNCIL OVERSIGHT COMMITTEE MINUTES

January 6, 2010

The City Council Oversight Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:35 p.m. in the City Council Conference Room on the 6th day of January, 2010, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT:	Councilmembers Atkins, Dillingham, Griffith, and Kovach
ABSENT:	None
OTHERS PRESENT:	Mayor Cindy Rosenthal Councilmember Dan Quinn, Ward Eight Mr. Jeff Bryant, City Attorney Mr. Stephen Koranda, Executive Director, Norman Convention and Visitors Bureau Mr. Steve Lewis, City Manager Mr. Jim Rickards, Norman Convention and Visitors Bureau Board member Mr. Joe Sparks, Norman Convention and Visitors Bureau Board Chair Ms. Kathryn Walker, Assistant City Attorney Ms. Syndi Runyon, Administrative Assistant IV

CONTINUED DISCUSSION REGARDING THE CONVENTION AND VISITORS BUREAU AND CONTRACT AND REPORTS.

The Oversight Committee, in its June 2009, meeting requested input from the Norman Convention and Visitors Bureau (NCVB) as to the areas of representation they felt was needed on their board. At that time, Mr. Stephen Koranda, Executive Director of the NCVB, requested that discussion be postponed for six months as the NCVB Board was expecting five new board members in July and there had been a large turnover of NCVB Staff as well. Oversight Committee Members agreed on that timeline to allow NCVB board members time to get acquainted with one another as well as the policies. Mr. Koranda said he would make the discussion on the composition of the NCVB Board a top priority and Committee members agreed to postpone the request until January, 2010. The Committee also discussed changing the NCVB reports to be more condensed and easily read.

Chairman Dillingham said the Committee previously discussed the NCVB's applicability of the Open Meetings Act and asked Mr. Koranda if this had been discussed by the NCVB Board. He said the board has not discussed this matter specifically; however, he would consult with the NCVB's attorney and provide a response at a future meeting. Chairman Dillingham agreed.

In reference to the Board structure, Mr. Koranda said the board formed three group task forces, Organization Development, Finance, and Marketing. He said the Organization Development group discussed the board structure and based upon the functionality of the board and the stakeholders identified in their April Board Retreat, the task force recommended adding four at-large representatives from the community. He said presently, the nine members of the board are appointed by other entities and it is proposed that the four at-large members be appointed by the NCVB Board of Directors. He said the board also wanted to expand the ex-officio roles by appointing the Mayor or her Council representative, the City Manager or his appointee, the Chamber of Commerce Executive Director, and the Executive Director of the Norman Economic Development Coalition. Chairman Dillingham asked how the at-large community members would be identified and Mr. Koranda said the criteria would be developed as the Board begins identifying long term strategic goals and plans. He said technology and branding is in the forefront of discussions but representatives will be needed for attractions, such as the museums, and the retail industry. He said there are also recommendations from the destination marketing world. Councilmember Kovach asked if the Board has discussed how the quorum requirements would be changed if the board were expanded and Mr. Koranda said those specific details have not been discussed, but if there were 13 members, it would probably require seven to eight votes to approve an item.

Chairman Dillingham said she was pleased with the recommendations regarding the composition of the board. Councilmember Kovach asked if representatives from the various festivals and special events have been considered and Mr. Koranda thanked him for the suggestion and said that is a perfect example of who the Board would be looking to identify.

Mr. Koranda discussed reporting methods and said he has been studying the Destination Marketing Association International Handbook for reporting and, which contains 70 activity and performance measures the NCVB does on a daily basis that can easily be tracked and reported, i.e., the number of bids distributed for sports activities; number of trade shows attended; number of sales missions attended; number of familiarization tours; number of sales calls; number of sight inspections; etc.; but using this information will make the reports more cumbersome. Councilmember Kovach said the Committee had discussed the NCVB creating a formula to report comparisons of hotel room growth in Norman and what the base line would be if nothing was done compared to what the NCVB is doing to add to that growth and asked if a formula had been created. Mr. Koranda said he recalled discussing projections based on that theory, but he felt that would very hard to determine. Councilmember Kovach said he believes a base line would be the best way to quantify the percentage of growth or decline.

Mr. Jim Rickards, NCVB Board Member, said there is a system known as MINT, where social, military, and educational meeting planners submit large housing requests for proposals (RFP's) and only bureaus are allowed to buy the software and hardware to pull those RFP's and sell them to the City, which would generate more revenue than is currently being spent on the NCVB. He said this would be an essential tool. Chairman Dillingham said Council, as policy makers, are trying to determine how the NCVB is spending public money, garnered by other means than Room Tax funds, and what the City is getting for that public money. It would be helpful if the NCVB could craft reporting criteria to help Council understand. Mr. Koranda reminded members that the NCVB is working with dated software and hardware and better technology is needed. He also said half of NCVB's Staff of four is dedicated to sales. Councilmember Atkins said the current report already contains a methodology used to determine what events the NCVB has brought to Norman. Chairman Dillingham said the new report seems to be more informative than past reports and the NCVB is clearly on the right track. Mayor Rosenthal said there are "value added" performance measures the NCVB could report such as the number of visitors brought to Norman solely from marketing by the NCVB. Mr. Koranda said the current report does depict those results such as the number of leads, number of bookings from those leads, estimated number of room booked, estimated spending for those room nights, etc., so if the NCVB were not in business, those events would not have come to Norman. He said there will always be intangibles such as how many people visit Norman because of information on the NCVB website and the NCVB are never aware of these visits.

Councilmember Kovach asked if it would be realistic to survey similarly populated cities to evaluate and compare growth. Mr. Koranda said it would be realistic depending on what information was requested. He said the NCVB is in a coalition of cities of the Big 12 that meet twice a year to discuss growth, budgets, etc., and could obtain base line comparisons of those cities quickly. He said the NCVB is working on expanding their coalition to other communities with 100,000 or more in population with a major university and is a suburb of a major community for comparison. He said he envisions measurements and benchmarks to be easily compared 20 years from now. Mr. Steve Lewis, City Manager, said a Convention and Visitors Bureau (CVB) effectiveness in attracting events relies on three factors; having the right number of moderately priced rooms, good or great facilities for holding the events, and an aggressive CVB, Chamber, and community working together to recruit events. Mr. Joe Sparks, NCVB Board Chair, said the rate and growth of Room Tax funds is a benchmark; therefore, if Room Tax revenues are growing at a steady pace, it is reasonable to believe the NCVB is doing a good job. Mr. Lewis suggested Mr. Koranda share examples of what the NCVB Board uses on a monthly basis to determine the NCVB's effectiveness and efficiency. Mr. Rickard said the game changed for the NCVB when Embassy Suites, The Courtyard, Northpark Tax Increment District, and Hilton Garden Inn came into existence. He said the dynamics of the NCVB mission has also changed as board members have been very aggressive in challenging the NCVB to move forward in generating quantifiable tourism impact. He said the next five years will be key to the NCVB's success.

Councilmember Kovach said diversification of funding sources and augmenting income had also been discussed at a previous Oversight Committee meeting and asked if that had been discussed by the Board. Mr. Koranda said the Finance Task Force will be talking about additional revenue sources and making recommendations. He said 85% of the NCVB budget comes from Transient Guest Room Tax and the NCVB relies too heavily on that tax for income. Councilmember Kovach asked for examples of other revenue sources and Mr. Koranda said larger CVB's have membership fees, partnership fees, and grant opportunities. He said the NCVB has been very aggressive in seeking advertising in their brochures, but other areas should be looked at.

Chairman Dillingham asked if there were industry standards for determining the return on dollars invested in destination marketing by a municipality, County, or State. Mr. Koranda said Price Waterhouse had prepared an analysis of all 50 states detailing the return on investments for every dollar invested and Oklahoma's return is \$54.00. Chairman Dillingham said she was leery of national figures and preferred concrete figures. Councilmember Quinn asked if dollars spent at restaurants and retail shops could be tracked based on the number of rooms booked and Mr. Koranda said traditionally, the hotel industry does not have a good reputation of accurately reporting those numbers. Mr. Rickard said Oklahoma City does have that technology and the NCVB Board is pushing to get that technology in Norman.

Mr. Lewis said there are properties in the community that do not have a sales force and depend on the NCVB to get them the most return for their money while other properties, like Embassy Suites, have a full time sales Staff who aggressively seek bookings and feel they perform all the recruiting work themselves and want to know what the NCVB is doing for them. He said this results in a natural tension on CVB's from the competing properties.

Mr. Koranda said he would prepare report criteria based on the handbook; however, he said the NCVB is a Staff of four while Oklahoma City has a Staff of 16 and the handbook was prepared with a Staff of 30 or more. He said a balance is needed between how much time is spent on the reports versus sales, media relations, and marketing efforts. Chairman Dillingham said the Committee should look to the Board to find that balance. Mayor Rosenthal agreed and said Council oversees the NCVB Board and not the day to day operations and the board would have a better idea on finding the balance needed. Mr. Koranda said he would present the criteria to the NCVB Board on January 20th for their input then to the Oversight Committee in March.

Items submitted for the record

1. Memorandum dated December 31, 2009, from Brenda Hall, City Clerk, to Honorable Mayor and City Councilmembers with attached NCVB Board of Directors Composition; Article V. Transient Guest Room Tax Ordinance; Amended By Laws of the NCVB; Contract No. K-9293-136; Amendment No. One to Contract No. K-9293-136; Amendment No. Two to Contract No. K-9293-136; Amendment No. Three to Contract K-9293-136; Amendment No. Four to Contract No. K-9293-136; Amendment No. Five to Contract K-9293-136; and City Council Oversight Committee Minutes of May 6, 2009, and June 24, 2009
2. Norman Convention and Visitors Bureau 2009 Annual Report

MISCELLANEOUS DISCUSSION.

None

The meeting adjourned at 6:33 p.m.

Attest:

City Clerk

Mayor